MARTIN "KELLY" J. McTIGUE (State Bar No. 150854)
RANDOLPH C. VISSER (State Bar No. 64689)
MORGAN, LEWIS & BOCKIUS LLP
300 South Grand Avenue
Twenty-Second Floor
Los Angeles, CA 90071-3132
Tel: 213.612.2500
Fax: 213.612.2501

Attorneys for Petitioner
OLIN CORPORATION

BEFORE THE CALIFORNIA

STATE WATER RESOURCES CONTROL BOARD

In the Matter of

OLIN CORPORATION,
Petitioner,

DECLARATION OF RICHARD McCLURE IN SUPPORT OF OLIN CORPORATION'S PETITION FOR REVIEW OF CENTRAL COAST REGIONAL BOARD DENIAL OF REQUEST TO MODIFY ALTERNATIVE WATER SUPPLY ORDER

DECLARATION OF RICHARD W. McCLURE

I, Richard W. McClure declare that:

1. I am a Professional Geologist certified by the state of Tennessee (TN #3742) and a Registered Environmental Manager certified by the National Registry of Environmental Professionals (REM #07840). I am employed by Olin Corporation ("Olin") as a Senior Associate Environmental Specialist. I make this declaration in support of Olin's Petition for Review of Central Coast Regional Board Denial of Request to Modify Alternative Water Supply Order. I have personal knowledge of the facts set forth in this declaration and if called as a witness, could and would testify competently to them.

2. I have been a Professional Geologist from 1995-1997 and from 2003 and a Registered Environmental Professional from 1995-2002 and from 2003. I have been employed by Olin's Environmental Remediation Group since May 1991.

3. Petitioner Olin Corporation owns the 13-acre property located at 425 Tennant Avenue, Morgan Hill, California ("Site"). Olin operated a facility that at various times was used to manufacture and package a variety of products, (e.g., signal flares, for highway, marine and railway applications, targets and pool supplies) at the Site from 1956 to 1996.

4. In 1998, Standard Fusee, an unrelated company, acquired Olin's signal flare business and operated the Site under lease from 1988 through property closure in 1996, at which time Standard Fusee formally closed the facility in accordance with Santa Clara County Central Fire Department procedures. Subsequently, in 1997-1998, Olin razed all buildings at the Site to prepare the property for redevelopment.

5. Olin complied with all applicable environmental, health, safety and other laws during its tenure at the Site. The Olin Site and off-Site subject aquifer is located in the Pajaro River Hydrologic Unit, South Santa Clara Valley Area Boundary, Llagas Sub-Basin of the Central Coast Basin. The Site is presently fenced and vacant, except for the on-Site remediation equipment.

6. In August 2000, in the course of a due diligence investigation conducted as part of the process to sell the property, Olin first discovered and reported to the California Office of Emergency Services (OES) and Santa Clara County Environmental Health Department (Santa Clara EHD) the detection of perchlorate in soil and groundwater. Since February, 2001, under the supervision of and in cooperation with the Regional Board, Olin has undertaken an extensive investigation of the nature and extent of perchlorate in on-Site soil and groundwater and in off-Site groundwater, has implemented an on-Site ion exchange perchlorate removal and treatment system, and has installed three ion exchange perchlorate removal systems at the West San Martin Water Works and San Martin County Water District water supply wells. Olin has also funded a replacement well for the City of Morgan Hill Tennant Avenue well.

7. Olin's extensive Site and off-Site groundwater investigation and monitoring detected perchlorate downgradient of the Site in Santa Clara Valley and into an area east of Gilroy. In December 2003, Olin implemented on-Site perchlorate source removal and remediation through construction of an on-Site groundwater containment and treatment system that extracts

groundwater at a rate of 125 gallons per minute from three extraction wells constructed in the two upper aquifer zones to prevent any further off-Site migration of perchlorate. Olin has submitted a work plan to excavate perchlorate-containing soils to the residential Preliminary Remedial Goal of 7500 mg/kg and for in situ bioremediation of over 100,000 square feet of soil to further protect the groundwater resources in the Santa Clara Valley.

8. Olin's investigation, monitoring and remediation costs to date are approximately $8,250,000 (excluding the cost of providing alternative bottled water to off-Site well owners beyond the reach of the installed treatment systems).

9. At the present time, there are 547 off-Site wells with reported detections above 4 ppb. Of these 547 off-site wells, when last tested, 311 wells had perchlorate concentrations between 4 and 6 ppb; and 236 wells had concentrations of more than 6 ppb.

10. At the present time, pursuant to the Regional Board's Decision and Order, Olin is providing bottled water to well owners and tenants at 311 wells which already meet the conservative 6 ppb PHG/Action Level set by the State of California. Through April, Olin's 2004 cost to provide the alternative bottled water supply at the 547 wells exceeding 4 ppb has been $296,000. Olin's projected bottled water cost for the remainder of 2004 is $449,000. Thus, Olin's estimated annual cost to provide bottled water is $745,000 at the 4 ppb replacement water level required by the Regional Board in its October 18, 2002 Order and April 29, 2004 Decision.

11. In comparison, Olin's projected off-Site alternative bottled water supply cost for wells with concentrations at or above 6 ppb level (covering 236 wells in that category) would be $321,000 per year. A chart comparing the number of wells and alternative water supply costs at the 4 ppb and 6 ppb levels is set out below.

Off-Site ALTERNATIVE WATER SUPPLY Standard	No. of Wells	ALTERNATIVE WATER SUPPLY Projected Costs
4 ppb (pre-March 12, 2004 DHS Action Level; basis of Regional Board October 18, 2002 Order)	547	Annualized cost: $745,000/year
6 ppb (revised March 12, 2004 DHS Action Level and PHG; basis of Olin's April 7, 2004 modification request to Regional Board)	236	Annualized cost: $321,000/year

As is apparent from the above chart, a 2 ppb increase from 4 ppb to 6 ppb in the off-Site alternate

water supply standard significantly decreases Olin's cost of providing replacement water by $424,000 while being completely protective of human health, including all sensitive populations as determined by California's OEHHA and DHS.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 27, 2004, at Charleston, Tennessee.

Richard W. McClure